

UNITED STATES DEPARTMENT OF STATE

OVERSEAS RIGHTSIZING

A QUARTERLY REPORT
BY THE OFFICE OF RIGHTSIZING
THE U.S. GOVERNMENT OVERSEAS
PRESENCE



2005 / III



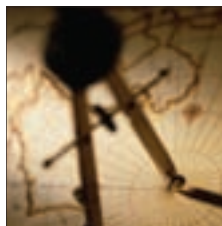


About the Office of Rightsizing the USG Overseas Presence

The Under Secretary for Management's Office of Rightsizing the USG Overseas Presence (M/R) is a Congressionally mandated office responsible for managing the rightsizing of the US Government abroad. This Department of State office is responsible for reviewing and approving the staffing projections for all capital construction projects abroad. M/R oversees the process by which Chiefs of Mission conduct 5-year reviews on the staffing of their missions. M/R schedules the annual 20% of all U.S. Missions abroad, and reviews and approves the staffing in these missions. M/R also coordinates NSDD 38 requests, all policy issues concerning Chief of Mission authority, inter-agency correspondence regarding Executive Branch agencies overseas presence, and related issues.

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Letter from the Director of the Office of Rightsizing, J. Patrick Truhn

In 2004, the Department established the Office of Rightsizing the U.S. Government Overseas Presence (M/R) in response to the mandate in the Department's FY '04 appropriations bill. This office reports to the Under Secretary for Management. M/R is also the Office of Management and Budget's principal implementer for the President's Management Agenda initiative **A "Right-Sized" Overseas Presence**. The PMA was recently graded Green for Progress and Status. In order to achieve *Green*, the Department successfully:



- ✓ Established a Rightsizing Review process for all posts overseas, including New Embassy Compound (NEC) construction projects, focused on linking staffing to mission goals, eliminating duplication, and promoting shared services and competitive sourcing;
- ✓ Implemented the Capital Security Cost Sharing (CSCS) program where agencies pay a pro-rata share of embassy construction costs for safe and secure facilities for their employees overseas;
- ✓ Developed a strategic architecture for regionalizing State Department support services, and established the Frankfurt Regional Center; and
- ✓ Completed the establishment of the Office of Rightsizing to coordinate internal State and interagency rightsizing efforts.

The Department is working aggressively with embassies and agencies to use technology and improved management methods to contain growth, and eliminate duplication and nonessential U.S. Government presence overseas.

M/R reviews the staffing of every agency at post as part of every embassy construction project and rigorously analyzes requests for increased staffing from all Executive Branch agencies.

The 1998 bombings in Nairobi and Dar es Salaam led to recommendations in the Crowe Report that the U.S. should minimize overseas staff to reduce exposure to harm. At the same time, the Department embarked on an accelerated program to create new,

secure facilities abroad, and expanded its other physical security assets and protective operations. The high cost of facilities and security assets puts a premium on managing those costs by minimizing the staff they protect. Appropriators have a strong interest in minimizing harm and containing costs, and expect to see results in the near term.

M/R is the focal point for the Department's overseas management improvement efforts, and is engaged in:

- ◆ Developing a new paradigm of providing services to posts by developing regional centers and centralized service providers – taking work and therefore desks away from posts when possible;
- ◆ Promulgating standard global processes, new enhanced communications capacity, and systems to reduce work that is now done at posts;
- ◆ Performing Rightsizing reviews for each proposed new facility, as part of the budget planning process; and ensuring that each mission is reviewed every five years;
- ◆ Identifying opportunities to consolidate redundant functions and eliminate excess capacity, within and among agencies at posts;
- ◆ Working with the Office of the Procurement Executive, to ensure that competitive sourcing is effectively incorporated into rightsizing studies;
- ◆ Working with other agencies to ensure that Rightsizing criteria are incorporated in their overseas presence planning; and
- ◆ Ensuring that agency proposals for staff increases are rigorously controlled and accounted for through the NSDD-38 (position management) process.

In the 2005 Consolidated Appropriation, Congress enacted Capital Security Cost Sharing, by which all agencies will pay a proportionate cost of creating new secure facilities. CSCS will allow the Department to meet its responsibilities to provide secure facilities, and at the same time will raise the cost to agencies. Congress, OMB and the Department expect that the increased cost will provide agencies an incentive to minimize overseas presence.



“[B]ombings in Nairobi and Dar es Salaam led to recommendations in the Crowe Report that the U.S. should minimize overseas staff to reduce exposure to harm.”

Challenges

- ◆ Many security-related agencies are increasing their overseas presence to execute the Global War On Terror.
- ◆ Agency presence and growth is often a function of administration priorities in response to legislative mandates.
- ◆ Change is frequently met with great skepticism, even when the potential benefits are significant. Some fear that cost-saving measures will actually end up costing more, while others fear that service levels will inevitably decline. Business cases must be transparent and convincing, and metrics must ensure that quality improves. Managers need to show strong leadership commitment, and results, to succeed.
- ◆ Replacing at-post assets with central or regional capabilities will require significant up-front investment, during a period when deficit management and exchange rate pressures will restrict investment capacity of all agencies. However, diminished spending power will also force agencies to spend some money in order to save more.



Business cases must be transparent and convincing, and metrics must ensure that quality improves.

Performance Summary and Highlights

- 1. PMA – Rightsizing Scorecard Goes to Green:** OMB has advised M/R that the PMA Rightsizing Scorecard has gone from yellow to green in the 4th quarter of FY-2005. Although OMB has the lead in this initiative, most of the deliverables come from State. Achievements noted in achieving green include: establishing a rightsizing review process for all overseas posts; establishing the Capital Security Cost Sharing mechanism; developing strategic architecture for regionalization; and establishing the Office of Rightsizing. Our primary goals for the next quarter will be to strengthen the mechanisms now in place and systematically quantify outcomes and results.
- 2. More Post Personnel:** M/R conducted an analysis of the data being generated by Post Personnel, the central database used by posts to report the total U.S. Government presence overseas. The analysis and subsequent adjustments resulted in a very substantial increase in the accuracy of Post Personnel, which now reports there are 65,487 U.S. Government employees at posts abroad, with some 76,945 positions globally. This increasing accuracy represents a nearly 50% increase in position reporting within Post Personnel, and a 42% increase in previous estimates of actual overseas staffing. There are still data to be entered, and corrections to be made to the data, but it is possible we are now within 95% accuracy for total staffing overseas. We will work toward 100% in the next quarter.
- 3. Rightsizing Reports:** Every rightsizing report submitted by Chiefs of Mission has proposed significant staffing increases – from 18% in some cases to 67% in others, with an average proposed increase of approximately 33%, encompassing increases for both State and other agencies. Most of this growth is connected to changes in high priority national security interests, mainly GWOT, PEPFAR, and NEC requirements. M/R has noticed that more missions are proactively considering their footprint through the rightsizing optic, although this invariably expresses itself as a need to increase staff in response to new national priorities. In other cases where projected growth is not directly predicated upon these immediate priorities, M/R has assisted posts and bureaus in appropriately assessing needs.
- 4. Cost Savings from Rightsizing:** M/R has done some analysis of the recently completed rightsizing exercises for the Department's FY07 Capital Security Construction projects;



“[M]ore missions are proactively considering their footprint through the rightsizing optic...”

in all, eight New Embassy Compounds. The average reduction in desk count for each NEC project was 18 desks, 145 desks in all. Many of the removed desk positions were identified in cooperation with posts and regional bureaus. These desks represent significant partially or fully avoided costs.

- The approximate total savings to OBO in capital security construction costs for the desk positions removed is approximately \$20 million, money available to invest in other projects.
- Approximately \$18 million more in one-time costs were completely avoided by obviating the necessity for separate annexes in three cases.
- These space requirements removed represent roughly \$200,000 annual savings in ICASS GO/LTL Building Operating Expenses.
- Additional savings will also be achieved from funds provided directly by OBO for maintenance and repair of the NECs.
- The desk positions removed represent approximately \$4 million annually in Capital Security Cost Sharing the affected agencies will not pay.
- Of the total 145 positions, 50 were U.S. Direct Hire. At an average cost of \$400,000 per year for each position, these 50 positions represent \$20 million in savings.

5. Further Analysis of NEC Project Rightsizing: A results analysis of the recently completed FY07 OBO Capital Security Construction project Staffing Projections, which were the first subjected to M/R's rightsizing consideration. The most general statement that can be made is that the overseas presence continues to grow in response to Congressional and Administration priorities. Comparisons of FY06 and FY07 Staffing Projections, which were subjected to M/R's analysis, with the FY05 Staffing Projections, which were not produced with a rightsizing filter, shows that posts, when keeping rightsizing considerations in mind as they develop their staffing projections, tend to moderate their out-year projected staffing demands. This moderation still does not, however, result in fully realistic projections of out-year staffing. Post-provided Staffing Projections for desk positions for the FY05 projects resulted in projected increases of 21% over current desk staffing. Staffing Projections by posts in the rightsizing-influenced FY07 projects resulted in projected desk increases of 13%. After M/R applied the rightsizing methodology, all but one post still had projected increases over current desk staffing. There were reductions in average growth from the 13% above to an average of 7% post-rightsizing growth with a range of +25% to -2%.

6. Savings from Rightsizing Techniques: Last year, M/R began asking posts conducting rightsizing exercises to submit Staffing Projections which co-located all administrative staff of all agencies. The goal of developing an efficient, single shared-services organi-

zation could be hindered or even thwarted if the facilities being constructed were not planned for such an organization. OBO should not be asked to build facilities that make it difficult for the U.S. Government to meet its strategic goals for service organizations at posts. One significant result of this approach has been that OBO is now able to plan NEC construction that does not require annexes. Heretofore, there was a general rule of NEC construction that indicated an annex is warranted when a single agency has a staff of 100 or more that must be located together. When the administrative personnel of agencies are co-located in a Joint Management Organization, the remaining programmatic personnel of any single agency rarely exceed 100 to be co-located. This M/R administrative co-location technique, which is only just providing results, has to date eliminated the need for three NEC annex projects and will have greater impact in the out-years of the OBO construction program. OBO estimates the savings, when no annex is required, to be \$6 million off the total cost of the NEC project for concurrently constructed annex projects. The savings are even greater for non-concurrent projects. M/R has managed to eliminate, through its rightsizing methodology, three formerly required annexes, for a savings to the U.S. Government of \$18 million dollars.

7. **New Handbook on Chief of Mission Authority in the Foreign Affairs Manual:** The Foreign Affairs Manual has been updated to include a Handbook, 2 FAH-2 100, which covers Chief of Mission Responsibilities and Authority. Previously, agencies and offices had to use a great many different resources to get the full picture of the Chief of Mission's authority. The FAH includes the relevant legislation regarding Chief of Mission and State Department authorities and responsibilities for overseas missions and their operation. The FAH is available on the Department's FOIA pages at <http://foia.state.gov/REGS/Search.asp>.
8. **Web-enabled NSDD-38 application:** The Office of Rightsizing has implemented an NSDD 38 web-enabled application that works from the internet. It is now required for all agencies to submit their overseas staffing requests via this application. The application assists users in getting the NSDD-38 submission correct and complete so that it can be considered promptly by the Chief of Mission. In order to be able to access this application, you need to be a designated POC for your agency or post. You will be provided with a logon/password for the application. Agencies have often complained about the length of time required to get an NSDD-38 approval. The Office of Rightsizing's goal has always been to have the process complete, from properly formed request to Chief of Mission approval, within three weeks. The Office of Management and Budget is requiring a performance measure of M/R for NSDD-38 processing. The new application promises to increase the correctness of agencies NSDD-38 requests so they can be acted upon expeditiously.

M/R sent a Department Notice and ALDAC to posts and offices announcing the changes to processing NSDD-38 requests using the Internet based application (<http://nsdd38>.

state.gov). As a result of the September 28 presentation to foreign and domestic affairs agencies, over 15 users, including AID, Treasury, and Justice, have requested logons to the system. Response has been positive that the application is user friendly. M/R will conduct outreach to other agencies to promote use of the system to streamline the process.

9. **Internet website:** The Office of Rightsizing has established an Internet web site with general information on the rightsizing requirement. It can be reached at <http://www.state.gov/m/r/>.
10. **MPP and BPP instructions and guidance:** The State Department's Government Performance and Results Act planning tools, the Mission Performance Plan and the Bureau Performance Plan, now include instructions to every Chief of Mission and Assistant Secretary requiring discussion of current rightsizing plans and accomplishments. Chiefs of Mission, who are responsible for all Executive Branch agencies and personnel activities and programs at their posts overseas, must certify in their Performance Plans they have plans that determine the rightsized staffing of the mission, consider competitive sourcing, and use regionalized services and programs when practicable. Chiefs of Mission must also certify that the programs and activities at post are essential for the pursuit of U.S. Government high priority national security goals. M/R issued an ALDAC with specific MPP guidance to Chiefs of Mission.
11. **Special Embassy Program ended:** Retired Ambassador Bob Service conducted a study of the Special Embassy Program (SEP). The program's original purpose was to maintain representation in countries where U.S. interests are limited. Posts in the program were to have very lean staffing and the Department would relieve them of a great deal of required reporting and otherwise reduce demands placed on staff. The Special Embassy Program did not work as well as originally intended. Workload demands proved hard to modulate and other agencies had no comparable program. While the Under Secretary for Management had the final say on staff increases, in practice the NSDD-38 process at SEP posts functioned the same as at larger posts. Many posts that started in the SEP eventually grew large enough to "graduate."

The Service study concluded that SEP was not itself a significant factor in restraining staff increases and that it brought with it rigidities and unrealized expectations that reduced operational effectiveness. The decision was made to preserve the limited benefits of SEP status for smaller posts but to use the parallel Overseas Staffing Model (OSM) to determine eligibility. The Special Embassy Program was terminated at the end of May, 2005.

12. **Expanding Regional Support:** Embassy Singapore has historically provided regional support for Embassy Bandar Seri Begawan in the areas of consular assistance, account-

ing, budget, vouchering and facilities maintenance. It has recently added general services and now provides all procurement, contracting, leasing, property management, and warehousing operations. As a result of this support, Embassy Bandar Seri Begawan will give up its off-site warehouse. Its combined IMO/GSO position has been changed to a straight IMO position. Embassy Singapore is the designated official mentor for consular services for Embassy Bandar Seri Begawan, and the consular chief provides advice on operational and managerial issues, and will soon assume responsibility for reviewing the visa adjudications made in Brunei.

- 13. Report to Congress:** The Office of Rightsizing has been instructed by Congress to present a report on “Trends in Overseas Staffing and Support for Chiefs of Mission”. The Report is included and is available for viewing on the M/R OpenNet site at <http://m.state.gov/index.cfm?fuseaction=layout.LayoutDisplay&layoutid=04188709-C976-4385-9BFC-E883A0A55EC6> or on the Internet at <http://www.state.gov/m/r/rls/56537.htm>.
- 14. Digital Video Conferences:** As an integral part of the fall cycle rightsizing reviews, M/R has conducted digital video conferences (DVC) with Embassies Pretoria, Harare, Rome, Warsaw, Moscow, Ankara, Kiev, Santo Domingo, and Asuncion, and Consulates General Cape Town and Durban. These DVCs give the field an opportunity to ask questions about the rightsizing process and to enable the regional bureaus and M/R to provide guidance. Generally, all agencies at post participate in these DVCs with Post Management.
- 15. FY-08 and -09 Rightsizing Taskers Disseminated to Posts:** M/R has sent taskers to posts for completion of the FY-08 and -09 NEC-related rightsizing reports. In response to submissions from the most recent round of posts, M/R has redrafted both the instructions and the sample rightsizing report, in an effort to focus posts’ decision-making process on: *defining goals; quantifying the resources necessary to fulfill those goals; eliminating duplicative activities; and identifying unmet needs*. The sample demonstrates the wide range of rightsizing options open to posts, including outsourcing, regionalization, and substitution of U.S. direct-hire positions with locally-engaged staff.

FY-08 and -09 Rightsizing Taskers



The following missions have been tasked:

Azerbaijan	Brunei	Burundi	Chad
Dominican Republic	Eritrea	Indonesia	Italy
Liberia	Libya	Malta	Mozambique
Pakistan	Paraguay	Poland	Romania
Russia	South Africa	Sri Lanka	Tunisia
Turkey	Uganda	Ukraine	Zimbabwe

The President's Management Agenda

Rightsizing Balanced Scorecard

About the Stop-Light: The Department has made substantial progress on all five of President's Management Agenda (PMA) initiatives as well as the Overseas Rightsizing initiative. Each quarter, the Office of Management and Budget (OMB) releases an executive scorecard that rates progress and overall status in each of the President's Management Agenda initiatives. The progress and status ratings use a color-coded "stop-light" system that is based on OMB standard criteria used to assess all agencies.

 CURRENT STATUS (As of September 30, 2005)
U.S. overseas staffing is at right level with skills to achieve policy goals. <ul style="list-style-type: none"> ✓ Management incentives/ accountability systems in place and impact demonstrated <u>Q4 FY2005</u> ✓ Agencies include cost and staffing data in annual budget requests <u>Q2 FY2004</u>
New embassy construction linked to rightsized staffing <ul style="list-style-type: none"> ✓ Interagency guidelines for staffing estimation <u>Q1 FY2004</u> ✓ Capital Cost Sharing proposed <u>Q2 FY2004</u> ✓ Mechanism developed for streamlining/consolidation of support/program services considered factors in projections for new compounds <u>Q3 FY2005</u>
Transparent estimation and accounting of USG overseas costs and staffing in place <ul style="list-style-type: none"> ✓ Framework for full cost accounting in place <u>Q3 FY2004</u> ✓ Agencies employ framework <u>Q4 FY2004</u>
Regionalization used as rightsizing tool overseas <ul style="list-style-type: none"> ✓ Creekbed regional rightsizing pilot studies complete <u>Q2 FY2004</u> ✓ Regionalization and shared-services moves underway <u>Q4 FY2005</u> ✓ Out-of-the-Box regionalization study and shared services model completed <u>Q3 FY2004</u>
Review mechanisms to validate ongoing and new embassy staffing and size <ul style="list-style-type: none"> ✓ Standardized Rightsizing Review process implemented for all Missions <u>Q4 FY2005</u>
 PROGRESS (Fourth Quarter FY 2005)
Actions taken this quarter: <ol style="list-style-type: none"> 1. Sent out Budget Data Request (BDR) on overseas positions and cost as part of agencies' FY 2007 budget submission to OMB. (OMB) 2. Submitted Regionalization Shared Service Architecture and migration plan to OMB to create lines of business and systematically regionalize or centralize support functions from all overseas posts of the next three years, starting with critical danger post in FY 2006. (State) 3. Submitted draft five-year Post Rightsizing review schedule/plan to OMB (State) 4. Submitted FY 2007 and FY 2006 Rightsizing Review Report for staffing projection for New Embassy Construction (NEC) projects. (State) 5. Develop web-based NSDD-38 approval application for new positions overseas. (State)
Planned Actions for next quarter: <ol style="list-style-type: none"> 1. Complete draft of Rightsizing Review Standard Operating Procedures (State). 2. Submit Global Staffing Matrix, outlining approved, disapproved, pending, new position, reduction, or realignment. NSDD-38 and State equivalent data on overseas staffing changes to be included. (State) 3. Develop a performance standard for the NSDD-38 process. (State) 4. Submit FY06 financial plan for the Office of Rightsizing. (State) 5. Validate plan for Post Personnel to serve as single/unified "Gold Standard" data base for all USG personnel overseas under COM authority. (State) 6. Summarize agency personnel and cost data collected in BDR 05-42. (OMB) 7. Report on accomplishment of Regionalization architecture migration plan milestones. (State) 8. Develop new Maintaining Green Criteria for the Scorecard (OMB)



Green



Yellow



Red



Green



Yellow



Red

Achieving Green! The Rightsizing PMA has been upgraded to Green Status for Q4 based on the accomplishment of the goals originally set forth in this PMA initiative.

Report to Congress on Rightsizing

The Consolidated Appropriations Act of 2005, Public Law 108-447, requires that “(c) Not later than one year after the date of enactment of this Act, and annually thereafter, the Secretary of State shall submit a report on such reviews that occurred during the previous 12 months, together with the Secretary’s recommendations regarding such reviews to the appropriate committees of Congress, the heads of all affected departments or agencies, and the Inspector General of the Department of State.”

From: The Under Secretary for Management,
Department of State Department

To: Committees of Congress for Appropriations
and Foreign Operations, Select Executive
Branch Agency Heads, Department of State
Office of the Inspector General on Staffing
Reviews of Missions Overseas

**Rightsizing Reviews by Chiefs of Mission and the Office
of Rightsizing the USG Overseas Presence during the
period October 1, 2004 – September 30, 2005**

The reviews referred to are “Sec. 409 (a) The Secretary of State shall require each Chief of Mission to review, not less than once every five years, every staff element under Chief of Mission authority, including staff from other departments or agencies of the United States, and recommend approval or disapproval of each staff element. Each such review shall be conducted pursuant to a process established by the President for determining appropriate staffing at diplomatic missions and overseas constituent posts (commonly referred to as the “NSDD-38 process”).

The Department of State currently has three major processes that require the Chief of Mission to certify the appropriateness of staffing at his or her mission.

The first is the NSDD-38 process established by the President. Every position that an executive branch agency proposes to establish, abolish, or alter overseas must be submitted to the Office of Rightsizing for recommendation and transmittal to the Chief of Mission of the affected post. The Office of Rightsizing provides guidance to Chiefs of Mission with respect to the considerations they should make when determining whether to approve or disapprove an NSDD-38 request. If the Chief of Mission approves the request, he or she must state that the proposed position is necessary to the pursuit of U.S. national interests and that the duties of the position cannot be performed by personnel already at post or from another location.

The second certification required of every Chief of Mission annually is in the Mission Program Plan submitted by posts. The Chief of Mission must certify that

“I, (Chief of Mission’s name), Chief of Mission of the U.S. Mission to (name of mission) have determined that the resources and staffing requirements identified herein are appropriate and essential to the achievement of these [the mission’s goals] priorities as well as the other programs and functions for which this mission is responsible for. In making this determination I am mindful of the President’s Letter of Instruction that covers these issues”.

The third method by which the Department examines the overseas staffing of the U.S. Government is through the mandate from Congress for the Office of Rightsizing, which is also the primary implementer of the President's Management Agenda initiative, Overseas Rightsizing. The Office of Rightsizing conducts rightsizing analyses of post staffing a) on all Capital Security Construction Projects, b) on a five-year schedule of all missions globally, and c) on other Capital Construction Projects. During these reviews, the Chief of Mission certifies the appropriateness and adequacy of the staffing blueprint provided for the mission. That certification is attached.

During the past year, Chiefs of Mission have submitted a total of 36 rightsizing analyses on the following posts;

Abuja	Addis Ababa
Accra	Antananarivo
Baghdad	Bamako
Beirut	Brazzaville
Bogota	Ciudad Juarez
Djibouti	Johannesburg
Khartoum	Khatmandu
Kigali	Kingston
Kinshasa	Kolonia
Koror	Libreville
Lilongwe	Lusaka
Manila	Mexico City
Moscow	Oslo
Ouagadougou	Port au Prince
Quito	Riga
Sarajevo	Skopje
Surabaya	Tbilisi
Tripoli	Valletta

Chief of Mission's Certification

In accordance with the instructions of the President and Congressional requirements, I certify that my Country Team and I have carefully considered all the components of U.S. Mission in (country). The staffing reflected in the enclosed Staffing Pattern/Projection is correct. The Rightsizing Report comprehensively discusses the essential purpose of each agency and position. The goals of this mission are reflected in the Goal Paper and the Mission Performance Plan.

New positions and agencies projected in out-years have been confirmed with each agency. I consider all such agencies and positions essential to the future requirements of this mission.

I have directed the elimination of all duplicative functions among agencies of the Mission. My Country Team and I have considered the available options for regionalizing and competitively sourcing both program and program support requirements. Functions that can be performed by personnel based in the United States or at regional offices overseas are not be performed at post. All Mission elements, current and projected, in (country) are essential and are the minimum necessary for the proper performance of the Mission's responsibilities.

Sincerely,

(name)

Sample of Chief of Mission's Certification attached in the Report to Congress on Rightsizing

These reports have been, or will be, submitted to Congress as the Department seeks budget or appropriations for each of these projects. The general trend has been a slight overall increase in staffing abroad in response to high priority national security interests; e.g., above all the Global War on Terror, but also anti-narcotics efforts and HIV/AIDS. The Office of Rightsizing's efforts have resulted in a moderation of the proposed growth by Chiefs of Mission, and in some cases a reduction in the overall footprint, achieved through consolidation of duplicative activities. As the Department develops capacities that will allow location non-specific work to be performed elsewhere, we anticipate further moderation of staffing demands at posts abroad.

Report to Congress on Trends in Overseas Staffing

OVERSEAS STAFFING TRENDS

The Office of Rightsizing the U.S. Government Overseas Presence (M/R) is pleased to report to the Congress on the progress M/R has made in advancing this important initiative of the President's Management Agenda, as well as in highlighting the rightsizing imperative for other offices in the Department and Executive Branch agencies. Attached are the two most recent M/R quarterly reports, required by the Office of Management and Budget, which detail the most recent rightsizing actions being implemented by the Department.

Although our goal remains to limit the overseas presence to the minimum footprint necessary to accomplish the U.S. Government's mission, overseas staffing is increasing. Growth is driven by U.S. national interests, above all the Global War on Terror. The requirement for consular services and border security activities, the President's Emergency Plan for AIDS Relief, combating drug trafficking and support for democratization are also important factors in increased overseas staffing. The quarterly reports reflect the efforts the Department has begun implementing to effectively manage growth in those regions where requirements are increasing.

In October 2004 M/R began conducting rightsizing studies of all overseas missions scheduled to receive a New Embassy Compound (NEC), and will expand this process to all embassies over a five-year period, beginning in FY-2006. M/R, in its staffing reviews, questions projected growth, looks for offsets, and suggests strategies for consolidation, outsourcing, and regionalization. In all cases we have moderated or significantly curtailed mission projections; some new embassies will actually have fewer employees than the facilities they are replacing, reflecting, for example, economies of scale achieved through shared services.

Embassies are clearly cognizant of rightsizing considerations. Chiefs of Mission are required annually to acknowledge their responsibility to rightsize their missions. Rightsizing elements are now a required component of annual Mission Performance Plans (MPPs). One challenge they face continually is to balance the overall goals they have set for their missions with the individual imperatives of their constituent agencies' Washington headquarters. We continue to support Chief of Mission authority, as outlined in the President's Letter of Instructions, as the principal vehicle to shape a cohesive but flexible mission agenda, capable of responding to new priorities as necessary.

M/R is working closely with other Department offices to obtain better statistics on the total U.S. Government presence overseas. The Bureau of Human Resources has made great strides, working with overseas posts and other agencies, to capture more fully data on all personnel in all categories overseas. Our goal is to establish a comprehensive, unified, and accurate database of all overseas personnel under Chief of Mission authority that can be used for the various staffing accounting needs of the Department and the interagency and reporting expectations of our stakeholders, such as OMB

and Congress. We are making progress. The Post Personnel application is now mandatory for use by all posts, and all agencies' personnel must be entered. Improvements in global data collection have been made possible in part by the investments the Department has made over the last several years in IT infrastructure at posts abroad. Improvement in accuracy, however, has rendered the data from previous years discontinuous, and so specific growth numbers or percentages are difficult to provide.

SUPPORT FOR CHIEFS OF MISSION

M/R, as the office that advises Chiefs of Mission on the National Security Decision Directive 38 process, now provides more detailed guidance to Chiefs of Mission on the decision-making considerations they should make to reflect rightsizing imperatives. We often provide specific advice to Chiefs of Mission, especially when the proposed positions appear to duplicate functions already conducted at the post, such as administrative support. Our goal is to maximize the utilization of shared administrative support services at individual posts (under ICASS) and at regional or global service centers, thereby limiting the overseas footprint, reducing costs, and increasing efficiency. At the same time, as the principal service provider for the delivery of support services overseas through ICASS, the Department has committed through the Administration's Performance Assessment Rating Tool (PART) process to rightsizing goals on lowering the ratio of U.S. direct-hire service providers to U.S. direct-hire customers and systematically conducting outsourcing assessments at overseas posts.

With respect to the programmatic positions requested by agencies, we have taken a very proactive stance when these positions are expressly regional in nature. In particular, in Europe, and to a lesser extent in Africa and the Middle East, we require that agencies locate their regional positions in the new Frankfurt Consulate General facility. We identify regional positions as the requests come through the Department, and ask Chiefs of Mission not to approve any positions that are more appropriately handled from regional platforms. Chiefs of Mission have been responsive. The Department is also working on broader regionalization architecture plans through its Office of Global Support Services and Innovation (A/GSSI) to systematically regionalize or centralize support functions, first at danger posts, and then in phases to other posts.

In sum, M/R reports that recognition of the importance of rightsizing is beginning to inform every phase of the State Department's decision-making on overseas staffing. The last several years have demanded responsiveness to key national security imperatives, including the reestablishment of diplomatic representation in Iraq, Afghanistan, and Libya. These imperatives have required increased staffing to enable the vigorous pursuit of focused U.S. national interests. These increases in staffing, including the Department's implementation of the Diplomatic Readiness Initiative, have enhanced the U.S. Government's readiness to plan for and respond to new national security priorities.

Introduction to the Rightsizing Guide

In FY 2005, the Department managed to implement rightsizing procedures, techniques and methods which realized the mandate from Congress and the President to conduct rightsizing analyses of the U.S. Government's Overseas Presence. The processes have been gathered together in the following Rightsizing Guide. The instructions in the Guide have been approvingly reviewed by the Office of Management and Budget (OMB).

There are three basic documents in the Rightsizing package that we provide to posts to conduct rightsizing exercises:

Rightsizing Procedures

Abstract: The booklet is a general summary of general rightsizing principles and the considerations that post's should make in conducting rightsizing analyses. It also includes formatting instructions for the completed report. Because these reports go to OMB and Congress, and the Department must often provide summary statistical analyses of our overseas presence, it is important that these reports, text and data, be easily comparable post to post as well as easily aggregated.



Rightsizing Services Matrix

Abstract: The Services Matrix allows for a simple graphic exploration of ICASS-like services at post and possible areas of duplicative or non-essential activities.



Sample Rightsizing Report

Abstract: A common format is important when dozens of reports a year, over five years some 170 reports will be forwarded to OMB and Congress. The ability to easily extract information on a post or combine the information on several posts is an important requirement of the format. Following the instructions for the format ensures that all the information required is included.



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The Rightsizing Mandate

The Under Secretary for Management's Office of Rightsizing the USG Overseas Presence (M/R) is the Congressionally-mandated office responsible for managing the rightsizing of the US Government abroad. Congress requires that a Rightsizing Review be conducted by M/R: (1) on every capital construction project the Department wishes to propose to Congress, and (2) on 20% of all missions annually (identified as Five-Year Study posts – see separate instructions on page 18). Rightsizing the USG Overseas Presence is also a key initiative of the President's Management Agenda. The Lead Agency for Rightsizing is OMB, which has in turn designated the Department (M/R) as the lead agency for implementation. Rightsizing Reports approved by M/R are submitted to OMB and appropriators. Without an approved rightsizing report, OMB will not forward projects to Congress, and Congress will not budget or fund a capital construction project.

A rightsizing review eliminates or justifies any duplicative or parallel functions currently at post, considers the possibilities for reducing U.S. Government employees at post by taking advantage of regionalized or globalized service organizations, determines whether some jobs can be performed effectively by locally-engaged staff (LES) rather than US direct-hire employees, and outsources as feasible non-core and non-governmental functions.

The President's letter to the Chief of Mission charges the COM with reviewing functions and staff and with ensuring that excess staff is adjusted. The Secretary emphasized this requirement in a cable to the field in 2003; the ICASS Executive Board also advises posts to eliminate duplicative services at post. The Government Accountability Office has noted that ICASS's failure to live up to its promise of cost containment has been in part because of wasteful duplication of administrative services at missions overseas. Department policy now requires that rightsizing considerations be incorporated into posts' Mission Performance Plan submissions and rightsizing is also a mandatory element in Bureau Performance Plans. This responsibility of Chiefs of Mission to ensure that the size and composition of the mission under their authority is appropriate to carry out its mission has been oft repeated and is not new, but the emphasis is now greater than ever. In particular, COMs are expected to ensure the consolidation of as many activities as possible to minimize staff, thereby containing costs and exposing fewer employees (Americans and Locally-Engaged Staff) to security risks, while meeting programmatic requirements and maintaining administrative support service quality.

Chief of Mission's Certification

When the Mission completes the Rightsizing Study and Staffing Projections, the Mission must forward these documents to the Regional Bureau Executive Director under cover of a memorandum from the Chief of Mission certifying that the Chief of Mission has reviewed every staff element and agency under Chief of Mission authority and approves or disapproves each staff element. A sample is included as Appendix A.

What is Rightsizing?

Rightsizing does not necessarily mean downsizing. It may, in some cases, particularly as we seek to enhance security and respond to increasing budget pressures, but a thorough analysis of USG overseas operations may also justify staffing increases. It is clear, for example, that factors such as emerging Homeland Security requirements, changes in the visa processes, the Global War on Terror, and the President's Emergency Plan for AIDS Relief, will result in staffing changes at a mission. A rightsizing analysis will lead to transfers of resources from one mission goal to another even as we seek to enhance security and operational efficiency through regionalization and centralization. Rightsizing is emphatically not solely a Department of State issue: it applies to all USG agencies operating under COM authority overseas.

We use the General Accountability Office's (GAO) definition of rightsizing as our optic: "Rightsizing [is] aligning the number and location of staff assigned overseas with foreign policy priorities and security and other constraints. Rightsizing may result in the addition or reduction of staff, or a change in the mix of staff at a given embassy or consulate." (GAO-02-780 Overseas Presence: Framework for Assessing Embassy Staff Levels Can Support Rightsizing Initiatives, p. 1, July 2002)

Format and Procedure for the Rightsizing Review

Section I: Mission Goals and Objectives, Analysis of Duplicative Activity

1. For each mission goal, identify the resources currently supporting that goal, and analyze their specific achievements in meeting the objectives.
2. Assess areas of duplication, activities which are no longer required or may require adjustment of resource levels, and identify activities which require increased resources to achieve their objectives.
3. Based on this assessment, determine whether that goal is rightsized, or needs increased or decreased staffing.

Unlike the Mission Performance Plan, your rightsizing report may include as many goals as you like, but it is essential that your analysis and assessment in this section cover every mission element: all State sections and all non-State agencies. If a mission element does not play any role in the mission's goals and objectives, the need for its continued presence should be questioned, and a plan for its relocation developed, as appropriate.

II. Competitive Sourcing, Regionalization, and Substitution of LES for USDHs

Competitive Sourcing

Competitive Sourcing is a methodical way of evaluating whether commercial services should be performed using government employees or contractors. As part of the Program Assessment Reporting Tool (PART), a methodology utilized by OMB to gauge the success of a program, the Department is required to conduct and report on competitive sourcing analyses of its overseas functions. This function is performed in conjunction with the periodic rightsizing exercises.

Post should document its assessment of all services, including but not limited to those performed under ICASS, for potential contractor performance to demonstrate Department efforts to control service costs and improve quality.

1. Categorize existing functions: Functions performed by Government FTE, whether locally-engaged staff (LES) or Foreign Service personnel, may be classified as either “inherently governmental” or “commercial.” An inherently governmental function is one that must be performed by a government employee because the function requires significant discretion in decision-making that would bind the Government to take a course of action. An example would be a Consular Officer who decides whether a visa should be issued, a Human Resources Officer who determines who will be hired and at what salary, and a Contracting or Grants Officer who decides who will receive a contract or grant and at what value. Commercial services, by contrast, are services that are routinely provided by the marketplace through private contractors. These would include gardeners, maintenance workers, drivers, data input personnel, and other functions that do not involve significant discretion in decision-making.

Begin with your mission’s most recent tables for Capital Security Cost Sharing, which should list all American and LES personnel at your post. Annotate each position as either “IG” (inherently governmental) or “C” (commercial) based on the criteria above. This constitutes the post “personnel inventory.”

2. Determine whether the function could be reviewed for potential contractor performance: This determination is based on any issues affecting performance of a function by a contractor. For example, at some posts, it may not be possible, because of local security threat conditions, to use commercial providers for motor pool services. Posts should consult with their RSO for post-specific information at this stage; should security reasons preclude permitting a contractor to perform a commercial function, the RSO should provide the rationale. During step 2, identify any concerns that might influence a decision not to review a commercial function for performance by contractor personnel. Document a decision not to evaluate a commercial provider with a brief rationale. A sample spreadsheet will be sent via e-mail for your use. It lists common ICASS services, but may be expanded to show other non-ICASS functions (e.g., translation, press clipping, visa appointment scheduling). This constitutes the post “commercial activities inventory.” Once you have completed your spreadsheets, please e-mail them to the contacts provided for A/OPE/CS and M/R.
3. Survey the marketplace: Post should determine whether the required services are readily available on the local economy. The manager of the function should draft a short statement of work describing the required work, including information on historical or anticipated workload. Market research should be performed by the General Services Procurement Office, with

assistance and input, as appropriate, from the Foreign Commercial Service office or any other source familiar with local market conditions. Internet research or other announcements may also be utilized.

4. Developing the business case: Compare in-house versus contractor performance costs: The cost of in-house performance of functions may be established by referencing current ICASS cost information. For non-ICASS services calculate the current cost of providing the service in-house using the same methodology used to assess ICASS costs (e.g., personnel and related costs). The cost of contractor performance may be obtained through soliciting quotations or comparing existing pricing information such as advertising, price lists, or comparable contracts. In comparing prices, be sure to include contract management costs in addition to contractor costs. If contractor costs appear to be advantageous to the government (i.e., cheaper than in-house performance of the function), verify that the proposed performance standards by the contractor are acceptable, and if they are, award a contract to the most advantageous contractor.
5. Competitive sourcing may involve displacing current staff if a decision is made to replace a function currently performed by locally-engaged staff (DH or PSA) with a commercial contract. Successful outsourcing of commercial functions depends on having a well-thought-out “soft landing strategy” to assist displaced staff. Entitlements payable to personnel involuntarily separated vary by country. All posts should have a current mission-wide reduction-in-force plan in their FSN handbook. Posts whose RIF plans are not current should contact HR/OE for guidance. Posts may need to consult a local labor law attorney at some point during the competitive sourcing evaluation. Posts that do not have local labor counsel retained should contact L/EMP for guidance on how to do so.

Regionalization

Identify all activities (of all agencies) not performed at your post, because they are performed on your behalf by regional or U.S.-based Government personnel. These may be programmatic (e.g., Customs, Commerce) or administrative (e.g., position classification, voucher examining). The President’s Letter of Instruction to Chiefs of Mission states:

“I ask that you review programs, personnel, and funding levels regularly, and ensure that all agencies attached to your Mission do likewise. Functions that can be performed by personnel based in the United States or at regional offices overseas should not be performed at post.”

Substitution of LES for USDH Positions

Identify USDH positions for which LES may be substituted. If you are unable to make any substitutions at this time, explain why and what steps you will take to get to this point.



III. Mission Staffing Levels

Complete the Summary Staffing table, including all sections/agencies, showing current staffing levels, projected staffing levels, and the net change (+ or -).

IV. ICASS Service Matrix

One crucial element of the rightsizing review will be a matrix inventory of ICASS services and the ICASS subscribers at post. A standard format is attached. Lite posts should also use the standard matrix to identify those sub-services where customer agencies do not participate. This will allow post to identify those specific services where agencies non-participate in a service by way of a modification, and may be engaged in duplicative activities.

The Service Matrix will clearly show which services are provided to which agencies, and which not. In every instance where an agency or budget element does not subscribe to an ICASS service, an explanation and/or analysis of why they do not subscribe should be included, even if only a sentence or two; e.g., a service is provided to the agency from the United States or the agency simply doesn't need such a service and doesn't provide it to itself or its employees. If there are special reasons for an apparent duplication (geographic location or a specialized program component of service), that should be explained as well.

V. Full Staffing Spreadsheet

For posts receiving an NEC, complete the LROBP spreadsheet provided by OBO. It should include a count of all projected staff, American and FSN, desk and non-desk, CAA and non-CAA, appropriately grouped by all components of all agencies, with descriptive job titles, employment status and grade. For posts not receiving an NEC, and completing a rightsizing review as part of the five-year process, use the CSCS (Construction Security Cost Sharing) spreadsheet, and add or reduce positions accordingly.

The LROBP Staffing Projection will need to be completed by adding all agencies and staff of the mission who will not be resident in the NEC. The CSCS Staffing Pattern will need to be completed by adding all projected positions (established and abolished positions) that will be in the NEC and in the mission. Please be sure to identify those positions which will occupy space in the NEC and those which will not.

Be sure to include all agencies, constituent posts, embassy offices, etc. in your analysis. You may use the ICASS Council, Working Group, or any ad hoc arrangement as a vehicle for discussion and formulation of the report and corresponding data. Be sure to be as inclusive as possible, reaching out to all sections and agencies of the Mission. A series of recommended questions for you to ask is supplied in Appendix B.

Additional Instructions on Administrative Services

While all rightsizing efforts and suggestions are welcome, during the period of this review M/R asks that, with respect to administrative support services, posts focus on a few areas of key concern:

- ◆ The elimination of any services that are duplicative or similar to ICASS services at post;
- ◆ The elimination of separate housing pools;
- ◆ The creation of property pools, especially residential furniture, furnishings, appliances and equipment (FFA&E) pools.

All administrative positions of all agencies including ICASS should be removed from their owning agency on the staffing projection and placed in one location in the staffing projection called Joint Administrative Service Section. The NEC must be constructed with spaces for the administrative staff of the Mission only as co-located or consolidated staff; e.g., the AID Comptroller and ICASS FMO will have offices side-by-side in one Financial Management Section with all the FSNs who do that work in one section. The same with GSO, HR, IT, etc. No agency will have its own separate management section space. The staffing projection should have no administrative personnel identified elsewhere in the mission (drivers, janitors, procurement, administrative assistants, etc.), except in one part called Joint Management Services. We must overcome creating physical impediments to consolidation of services and cooperation between functions. Such an arrangement will improve the working cooperation of the personnel and is a clear statement of the intention of the COM to deal with consolidation.

Eliminating Duplication

It often occurs that agencies are found to maintain duplicate functions, but mission managers believe that the capacity is required. The COM and senior managers must take an extremely critical look at such assertions. Even if the separate capacity is needed, the COM must consider whether or not the overall function should be merged under single management, thereby eliminating excess managerial overhead and duplicative internal controls structures. The general case is that merging and consolidation lead to efficiencies, economies of scale and standardization, which, when properly managed, translate into reduced cost with equivalent or superior service. As such, this effort directly responds to the ICASS Executive Board's call for reducing the cost of support services.

Duplication of administrative functions is generally considered to be inefficient and an opportunity for rightsizing. If an agency performs administrative services for itself at an overseas location, and those same or similar services are also offered by ICASS, some level of duplication exists. For example, if an agency has an on-board telephone technician outside of ICASS, and ICASS provides telephone support, that may indicate unnecessary duplication. Similarly, a driver is a driver, an HR Specialist is an HR Specialist, warehouse staff is warehouse staff, regardless of agency. The rightsizing exercise must thoroughly review mission-wide non-ICASS provision of administrative services in the 30 or so ICASS service areas offered at your post.

When valid and compelling reasons don't clearly exist and duplication of same or similar support services does exist, the matrix inventory will identify those services and a plan of action must be developed. The plan must address how services will be consolidated under one service provider with the steps and a timetable for implementation. The inventory should indicate where each duplicative or similar function currently resides (agency, office) and ultimately, the rightsizing plan will, of course, need to identify where the function will be performed upon completion of the implementation plan. For those duplicated services which will not be eliminated, the embassy must provide a justification which will withstand the scrutiny of OMB and Congress.

New Construction and Consolidation Opportunities

When new construction brings about co-location, duplication that may have made sense in a geographically dispersed environment often becomes unnecessary, and should be eliminated. While consolidation of duplicative services is an ongoing responsibility, a co-locating move and/or a new embassy compound presents unique opportunities for the elimination of duplicative services. OMB has specifically tasked the Department to identify and eliminate unnecessary duplicative or parallel functions concurrent with moves to NEC.

Specialized Programmatic Functions

When considering whether duplication exists, agency-specific functional requirements should be considered; similar title of the job or function is not, by itself, determinative. If an agency has specialized program managers, as, for instance, the USCOE, USAID and DCMA may have in contracting, ICASS may or may not be able to provide such services. However, procurement management which provides contracting solely to meet administrative requirements would be duplicative since that is a service ICASS offers. Other functions which may be designated specialized programmatic functions should be similarly scrutinized.

Non-ICASS Services

While support services are primarily encompassed within ICASS, it may be that certain support services (e.g. some security or communications services) might fall outside of ICASS. Posts are encouraged to identify and explore options for eliminating duplication, competitive sourcing, or regionalizing those support service areas also.

Ratio Analysis

The optimum ratio of administrative support staff to customers has been determined to be 1:18. (This assumes that each administrative service will be provided by one service provider, either State/ICASS or an alternative service provider.) To determine the current or projected ratio at your post, add all of the Program American staff (all non-ICASS, non-administrative staff of the mission for all agencies) and divide by the corresponding number of American ICASS or administrative support staff. In certain circumstances, posts may not be able to reach the target ratio because of specific local conditions, and in any case this figure should not be held as an absolute number, but rather as a guideline, particularly for posts in developed countries.

A Word About Particular Situations

Consulates

Not all of the instructions above can be made to apply to Consulates. Generally, there is no duplication of services at a consulate in terms of agencies competing with one another. However, it is often the case that Consulates have been provided additional staff to perform services that could just as easily, and more efficiently, be provided by the Embassy; e.g., a voucher examiner or commercial work, or from a regional center. Embassies, certainly with the Consulates' participation, must do the rightsizing study of consulate staffing and determine whether the consulate is appropriately staffed.

Five-Year Studies

Posts involved in Five Year Studies do not have some of the advantages of adapting a new building to the present staffing requirements. Nevertheless, posts must take the steps of determining existing staffing and projected staffing, and then conducting a rightsizing study of that staffing. With an NEC project, the building will be the product of that study. For existing facilities, the post must take a radical look at how agencies/sections are placed in current facilities with an eye to maximizing operations through appropriate placement of personnel and sections. The collocation of all administrative functions mentioned above will sometimes create a great deal of displacement of staff within existing facilities. While it may be difficult, it is possible and necessary.

Available Guidance

During the entire phase of preparing the rightsizing report, the post is encouraged to maintain an active dialogue with the Office of Rightsizing (M/R) as well as the Regional Bureau (Executive Office, Desk, and PD Desk). Posts and bureaus frequently find it useful to conduct a digital video conference (DVC) with the Office of Rightsizing after they have had initial meetings to discuss their approach to rightsizing; this will give everyone an opportunity to participate in a group discussion to ensure that the post is on the right track. If necessary, the M/R analyst may also travel to post to meet with agency officials and assist the post in realizing its rightsizing objectives or in achieving inter-agency consensus.

Post's rightsizing analyst from M/R will send the post, along with these instructions, a sample rightsizing report. This should serve as a model for the post's submission, though individual cases will obviously differ.

What Happens Next?

Post will provide its rightsizing package to its Regional Bureau Executive Director. The package will include at a minimum:

- ◆ The Chief of Mission's Certification;
- ◆ The Rightsizing Report, as described above and outlined in the sample report sent to post;
- ◆ The ICASS Services Matrix;
- ◆ The Full Staffing Spreadsheet

The regional executive office will then forward the Bureau-approved post staffing projection and Bureau-approved rightsizing package to M/R. M/R will review and approve Rightsizing Reports, or provide comments back to the Bureau on areas in which M/R has questions or concerns about post's rightsizing plan. M/R will notify OBO when the staffing projections and Rightsizing Reports have been approved.

Chief of Mission's Certification

In accordance with the instructions of the President and Congressional requirements, I certify that my Country Team and I have carefully considered all the components of U.S. Mission in (country). The staffing reflected in the enclosed Staffing Pattern/Projection is correct. The Rightsizing Report comprehensively discusses the essential purpose of each agency and position. The goals of this mission are reflected in the Goal Paper and the Mission Performance Plan.

New positions and agencies projected in out-years have been confirmed with each agency. I consider all such agencies and positions essential to the future requirements of this mission.

I have directed the elimination of all duplicative functions among agencies of the Mission. My Country Team and I have considered the available options for regionalizing and competitively sourcing both program and program support requirements. Functions that can be performed by personnel based in the United States or at regional offices overseas are not be performed at post. All Mission elements, current and projected, in (country) are essential and are the minimum necessary for the proper performance of the Mission's responsibilities.

Sincerely,

(name)

Rightsizing Checklist

Each post should begin with the following basic set of questions about the goals and functions of the Mission.

MISSION PRIORITIES AND REQUIREMENTS

1. What are the post's priorities (i.e., USG priorities)?
2. Does each agency's mission reinforce post priorities?
3. What are the staffing levels and mission of each agency?
4. How do agencies determine their post staffing levels?
5. Is there an adequate justification for the number of employees at each agency compared with the agency's mission?
6. Is there adequate justification for the number of direct hire personnel devoted to support and administrative operations?
7. Is the mix between US and LES employees optimal?
8. To what extent are mission priorities not being sufficiently addressed due to staffing limitations or other impediments?
9. To what extent are workload requirements validated and prioritized and is the post able to balance them with core functions?
10. Do the activities of any agencies overlap?
11. Given post priorities and the staffing profile, are increases in the number of existing staff or additional agency representation (i.e., agencies not currently represented at post) needed?
12. To what extent is it necessary for each agency to maintain its current presence in country, given the scope of its responsibilities and its mission?
13. Could an agency's mission be pursued in other ways?
14. Does an agency have regional responsibilities or is its mission entirely focused on the host country?

PHYSICAL/TECHNICAL SECURITY OF FACILITIES AND EMPLOYEES

1. What is the threat and security profile of the post?
2. Has the ability to protect personnel been a factor in determining post staffing levels?

3. To what extent are existing office buildings secure?
4. Is existing space being optimally used?
5. Have all practical options for improving the security of facilities been considered?
6. Do issues involving facility security put the staff at an unacceptable level of risk or limit mission accomplishment?
7. What is the capacity level of the host country police, military, and intelligence services?
8. Do security vulnerabilities suggest the need to reduce or relocate staff?
9. Do health conditions in the host country pose personal security concerns that limit the number of employees that should be assigned to the post?

COST OF OPERATIONS

1. What is the post's total annual operating cost?
2. What are the operating costs for each agency at post?
3. To what extent are agencies considering the full cost of operations in making staffing decisions?
4. To what extent are costs commensurate with the post's overall strategic importance, with agency programs, and with specific products and services?

CONSIDERATION OF RIGHTSIZING OPTIONS

1. What are the mission, security, and cost implications of relocating certain functions to the United States, regional centers, or to other locations, such as commercial space or host country counterpart agencies?
2. To what extent could agency program and/or routine administrative functions (e.g., procurement, logistics, and financial management functions) be handled from a regional center or other locations?
3. Do new technologies and transportation links offer greater opportunities for operational support from other locations?
4. Do the host country and regional environments suggest there are options for doing business differently, that is, are there adequate transportation and communications links and a vibrant private sector?
5. To what extent is it practical to purchase post services from the private sector?
6. Does the ratio of support staff to program staff at the embassy suggest opportunities for streamlining?



7. Can functions be reengineered to provide greater efficiencies and reduce requirements for personnel?
8. Are there best practices of other posts or private corporations that could be adapted by the post?
9. To what extent are there US or host country legal, policy, or procedural obstacles that may impact the feasibility of rightsizing options?

Rightsizing Service Matrix: ICASS Services Subscription

ICASS Services: FY2005 Post Name: _____

Date Prepared: _____

			Type of Service																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
Code	Cost Center		No. of Instruments Serviced	No. Of Peripherals	No. Authorized Users	Net Sq. m. Occupied Non-Res	Net Sq. m. Occ. by Agencies	No. of Americans and LES	No. DH Americans	No. Svcd Amer, TCNS, Contrctrs		No. Vehicles Maintained	Dollar Value of Supplies Issue	No. of Executed Proc. Docm'ts	No. Copies Printed / Reprod.	No. Shipments Sent / Recvd	No. Miles Driven	No. of Item Inventoried	No. Leases Maintained	No. Travelers Serviced		Wt. Pouches Sent	No. DH Amer (& LES if no DH)	No. Instr Svcd Switch/Direct		% of Time Spent Budgeting	No. of Obligations	No. Americans & LES Payrolled	No. Vouchers Processed	No. VchrsPaid,AccomExch,Cltms		No. DH Americans	No. LES Serviced		Net Sq. m Occupied	Net Sq. m Occupied	Net Sq. m Occupied	Net Sq. m Occupied																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																</

Instructions:

Enter X for fully subscribed, .6 and 3. as appropriate for modifications, and blank for not subscribed. For those services at a Life post that are aggregated (GSO, FMO, IM, etc.), if the agency is fully subscribed or not subscribed at all to a cluster, then you don't need to make any further notations in the sub-services. If they are modified in that cluster, please make a notation as to which sub-services the agency receives and which not based on the modification.

Rightsizing Service Matrix: ICASS Services Actual Workload Count

Instructions:

Enter the number of your workload counts, the ones you have. If you are a Lite post, you won't have all the workload counts for all the services, but you will have some. While GSO is per capita, most embassies still track miles driven per agent, number of customs/shipping actions per agency, etc.

ICASS Services: FY2005		Post Name:		Date Prepared:														
Code	Cost Center	Type of Service																
5449	DTSP0 IVG Lines	No. of Instruments Serviced																
5458	Information Management Technical Support	No. Of Peripherals																
5624	Health Services	No. Authorized Users																
5826	Non-Residential Local Guard Program	Net Sq. m. Occupied Non-Res																
5827	Security Supplemental	Net Sq. m. Occ. by Agencies																
5880	Security Services	No. of Americans and LES																
6150	Basic Package	No. DH Americans																
6443	Community Liaison Office	No. Svced Amer.TCNS. Contracts																
General Services																		
6132	Vehicle Maintenance	No. Vehicles Maintained																
6133	Administrative Supply Services	Dollar Value of Supplies Issue																
6134	Procurement Services	No. of Executed Proc. Docm nts																
6135	Reproduction Services	No. Copies Printed / Reprod.																
6136	Shipment and Customs Services	No. Shipments Sent / Recvd																
6139	Direct Vehicle Operations	No. Miles Driven																
6143	Non-Expendable Property Mang	No. of Item Inventoried																
6148	Leasing Services	No. Leases Maintained																
6462	Travel Services	No. Travelers Serviced																
Information Management																		
6192	Pouching Services	Wt. Pouches Sent																
6194	Mail & Messenger Services	No. DH Amer (& LES if no DH)																
6195	Reception and Switchboard Services	No. Instr Svcd Switch/Direct																
Financial Management Services																		
6211	Budgeting & Financial Plans	% of Time Spent Budgeting																
6221	Accounts and Records	No. of Obligations																
6222	Payrolling	No. Americans & LES Payrolled																
6223	Vouchering	No. Vouchers Processed																
6224	Cashiering	No. VchrsPaid,AccomExch,Citns																
Personnel Services																		
6441	American Personnel Services	No. DH Americans																
6451	Locally Engaged Staff Services	No. LES Serviced																
BOE Expenses																		
7810	GO. LTL Residential Bldg Ops	Net Sq. m Occupied																
7820	GO. LTL Non Residential Bldg Ops	Net Sq. m Occupied																
7850	STL Residential Bldg Operations	Net Sq. m Occupied																
7860	STL Non Residential Bldg Operations	Net Sq. m Occupied																
Miscellaneous Services																		
Furniture, furnishings, appliances and equipment pool																		
Other																		

Sample Rightsizing Report

2005 Rightsizing Report
Mission X
August 19, 2005

I. Mission Goals and Objectives, Analysis of Duplicative Activity

Since the end of the conflict here in 199x, the United States has taken a lead role in the reconstruction of X. Today, this is still a work in progress, although much further advanced than some would have imagined ten years ago. As a result of the normalization process achieved within the country, we envision being able to reduce our staffing in X to reflect a reduced workload. A detailed breakdown of mission objectives, and the staffing required to meet those objectives, follows below.

Our principal mission objective is to develop a coherent, stable X on its way to membership in regional security and economic organizations. To achieve this objective, our chief priorities, in conjunction with international institutions, are:

COUNTERTERRORISM (CT)

Regional Security Office (6 USDH – 18 FSN desk – 199 FSN non-desk, 75% devoted to CT)
Global Affairs Office (19 USDH, 100% devoted to CT)
DOJ/ICITAP (2 USDH, 50% devoted to CT)
FBI (3 USDH, 50% devoted to CT)
DOJ/OPDAT (1 USDH – 2 FSN, 50% devoted to CT)
POL/ECON (14 USDH – 9 FSN, 50% devoted to CT)
Consulate A (2 USDH – 9 FSN, 10% devoted to CT)

The Regional Security Office runs an Anti-Terrorist Assistance program, training elite host country police counterterrorism units.

The Global Affairs Office works with host country counterterrorism officials to assist them in developing strategy and expertise in identifying, monitoring, and apprehending terrorist operatives. It has provided assistance to the host government in preparing the Intelligence Reform Law, providing a legal framework to denaturalize terrorists who gained Xian citizenship during the war.

The ICITAP program trains the local police force. Part of that training involves rule of law and civil society issues (in particular, policing in a multi-ethnic society), but a major focus is also on counterterrorism measures.

The Legal Attaché Office (FBI) investigates criminal activities, and provides logistical expertise to

host country law enforcement in the investigation of counterterrorist and other acts.

The DOJ OPDAT office provides guidance to train prosecutors and judges in successfully prosecuting counterterrorism and related cases.

The POL/ECON section works with host government officials at all levels, with Parliament, with G8 and other embassies, and with NGOs and international organizations to enhance the host government's understanding of, preparedness for, and response to counterterrorism issues. It works with Parliament to ensure that effective counter-terrorism legislation is enacted. It also reports to an avid Washington readership on the success of the host government's counterterrorism readiness and action plans. The POL/ECON section also works with host government financial and law enforcement institutions to combat terrorist finance.

The Consular Section supports counterterrorism goals through adjudicating applications for non-immigrant and immigrant visas, conducting fraud investigations, and protecting the welfare of American citizens. Consular staffing needs to increase from three officers to four and FSN staffing from 5 to 6, as Xians, freed from concerns about ethnic violence and with higher disposable incomes as the economy improves, contemplate travel to the United States, and as Homeland Security regulations dictate that more work is done by American officers rather than FSNs. Over the next five years we anticipate a slight drop in the number of American citizens present in the country, as NGOs scale back their activities. X is not (yet) a tourist destination for Americans.

Our constituent post supports counterterrorism efforts by ensuring that the cooperative programs we have organized at the national level filter down to the regional and local level. Constituent post personnel engage with both provincial and local government officials and police to identify suitable candidates for the mission's training programs.

Assessment: An aggressive, broad-based inter-agency approach to this highest priority, utilizing a great variety of perspectives and skill sets, ensures that we achieve the widest possible cooperation from the GOX, particularly given the continued presence of mujaheddin fighters who remained after the war and "charitable" non-governmental organizations funded by the Saudis and others that continue to operate in X, providing a channel for the flow of money to extremists and terrorists. The mission's Counterterrorism Committee, which meets weekly, ensures that any duplication of effort is kept to a strict minimum and that information is regularly shared interagency, with the Political/Economic section taking the lead in reporting on both USG and GOX activities, and the Executive Office playing a strong central coordination role. (Increase 1 USDH – 1 FSN)

REGIONAL STABILITY (RS)

POL/ECON (14 USDH – 9 FSN, 30% devoted to RS)

Defense Attaché Office (5 USDH – 1 FSN)

Office of Defense Cooperation (6 FSN)

Consulate A (2 USDH – 9 FSN, 20% devoted to RS)

The Political/Economic Section engages with host government institutions to seek official cooperation with war crimes tribunals and effective civilian control of the military by Parliament and the new, unified Ministry of Defense. The section also reports extensively on peace-building efforts, such as destruction (with U.S. help) of a massive stock of over 6,000 shoulder-fired anti-aircraft missiles.

The Defense Attaché Office works actively with its counterparts in the nascent Ministry of Defense to establish an appropriate institutional framework. It also assists that Ministry in the establishment of a state-level integrated peace-supporting capability, and coordinates demining efforts with the host government.

The Office of Defense Cooperation supports the capability of the GOX military by offering IMET and other training programs to host country services.

Our constituent post, located in a minority ethnic area, is intensively involved with NGOs and government institutions to support peace-building efforts in that geographic region. An activist public diplomacy program complements these efforts, including extensive public speaking on multi-cultural societies.

Assessment: There is some duplication of reporting between POL/ECON and DAO, and a diminished interest overall by Washington readership now that X is no longer the world's principal trouble spot. Current POL/ECON staffing devoted to this area is no longer appropriate, given the normalization of the internal and external political situation since the end of the war, and the GOX success in building appropriate institutions to support the peace. POL/ECON is reducing its staff by two Political Officers due to decreased workload. (Downsize: 2 USDH)

INTERNATIONAL CRIME (IC)

Regional Security Office (6 USDH – 18 FSN desk – 199 FSN non-desk, 25% devoted to IC)

FBI (3 USDH, 50% devoted to IC)

DOJ/ICITAP (2 USDH, 50% devoted to IC)

DOJ/OPDAT (1 USDH – 2 FSN, 50% devoted to IC)

POL/ECON (14 USDH – 9 FSN, 5% devoted to IC)

The Regional Security Office works with local law enforcement officials and deploys Marine Security Guards and a local guard force to secure the Embassy's premises, people, and information. Due to the post's critical threat status, a sizable regional security force is required to protect Embassy personnel and property

The FBI works with host country law enforcement counterparts to investigate and solve a wide variety of criminal activities, including organized crime.

The ICITAP program provides training by police experts to train police forces to effectively investigate crimes and apprehend criminals, while respecting human rights and reducing ethnic tensions.

The OPDAT program provides training by Resident Legal Advisers to train prosecutors and judges in successfully prosecuting criminals and justifying appropriate sentences.

The POL/ECON section works with the Parliament and host government to ensure enactment and enforcement of appropriate legislation, with a key emphasis on anti-trafficking measures, which will hopefully ensure that X is moved from Tier III to Tier II.

Assessment: The need for large numbers of host country law enforcement and judicial personnel to be trained as soon as possible presents a significant challenge to the USG. A single OPDAT advisor has

been insufficient to accomplish the extensive training requirements of the host country judiciary, and DOJ will need to staff a second position to accelerate the effectiveness of this program. Two ICITAP personnel are also insufficient to meet the police training mandate, and will need to be augmented by a third. As noted in CT above, the Counterterrorism Committee, which brings all of the law enforcement entities in the mission together on a weekly basis, with strong Executive Office coordination, prevents duplicative activities and ensures frequent communication. (Increase: 1 USDH desk, 1 USDH non-desk)

ECONOMIC PROSPERITY (EP)

POL/ECON (14 USDH – 9 FSN)

FAS (0 USDH – 1 FSN)

FCS (0 USDH – 1 FSN)

Treasury (2 USDH non-desk)

USAID (15 US – 29 FSN, 50% devoted to EP)

Consulate A (2 USDH – 9 FSN, 10% devoted to EP)

The POL/ECON section is actively working with host country ministries and international financial institutions to restructure X's substantial internal debt, and to assist the GOX in battling rampant corruption, which adversely affects foreign (including U.S.) investment in the country.

The Foreign Agricultural Service and Foreign Commercial Service have minimal presences advocating U.S. agricultural and commercial exports. Primary responsibility for these functions rests with personnel at regional platforms.

The Treasury advisors assist the GOX in formulation and implementation of tax reform, in particular a value-added tax.

USAID has focused its Economic Growth Program on removing barriers to the development of small and medium-sized enterprises.

Our constituent post in A, a major commercial center, has been very effective in slicing through bureaucratic red tape impeding American investment in X. The consulate has been particularly helpful in achieving greater transparency in public tenders for infrastructure projects, in which American companies are now actively involved.

Assessment: As the Xian economy normalizes, the need for extensive U.S. involvement in the country's economic restructuring has diminished commensurately. The USG role will increasingly mirror that in other transitional economies of limited interest to U.S. markets. USAID is reducing its Economic Growth staff by 3 American and 3 FSN staff, and POL/ECON is reducing its staff by one Econ Officer. (Downsize: 2 USDH, 2 USPSC and 3 FSN)

DEMOCRACY (DE)

USAID (15 US – 29 FSN, 50% devoted to EP)

PAS (4 USDH – 11 FSN, 25% devoted to DE)

POL/ECON (14 USDH – 9 FSN, 15% devoted to DE)

Consulate A (2 USDH – 9 FSN, 40% devoted to DE)

USAID's democracy program focuses on providing guidance to host government ministries, NGOs, and political parties in establishing the structures governing the national, regional, and local political process and the administrative systems that will make it work. These activities are largely over. The remainder of USAID's democracy program is focused on facilitating the return of refugees.

The Public Affairs Office, through its exchange, speaker, and information programs, provides visible American support for X's ethnic diversity and in particular outreach to the majority Muslim community. Support for an active, free, and responsible press as a central vehicle in the democratic process is vital. Special funding for one USDH officer devoted exclusively to democracy programs is being withdrawn, and we will substitute a qualified FSN to continue much of the work at a fraction of the cost.

The POL/ECON section focuses its attention in the democracy area primarily on ensuring human rights – for all ethnic groups – during the drawdown of the international assistance community (including USAID), and on reporting on human rights issues to a Washington and regional readership.

Our consulate in A is heavily involved in grass-roots democracy-building, working in tandem with both NGOs and local and regional governments to ensure that the seeds of X's democracy continue to germinate and flourish. Consulate personnel support a range of civil society and good governance programs, and have begun holding American-style “town meetings” throughout their district to engage directly with local politicians and citizens.

Assessment: As indicated above, with the establishment (and testing, through elections) of democratic institutions and structures in X, USAID's democracy-building efforts in this area are largely completed. Residual USG interests in this area will be covered by PAS, POL/ECON, and Consulate A. USAID is reducing its Democracy staff by 3 American and 4 FSN staff, and PAS is replacing one USDH with one FSN. (Downsize: 1 USDH, 2 USPSC, and 4 FSN)

PUBLIC DIPLOMACY (PD)

PAS (4 USDH – 11 FSN, 75% devoted to PD)

Consulate A (2 USDH – 9 FSN, 20% devoted to PD)

The Public Affairs Section is responsible for advancing host country understanding of American policy and culture through a wide range of exchange, speaker, and information programs. Special emphasis has been placed on clarifying U.S. Middle East and counter-terrorism policy for X's Muslim-majority population.

Our Consulate in A, a majority-Christian area, also uses speaker programs, exchanges, and media outreach to promote American policy. Thanks to its contacts and insights in the Christian community, we can field very effective multi-ethnic exchange groups, which further foster mutual understanding and political stability.

Assessment: With the elimination of the special democracy-focused position discussed above, the Public Affairs staff will consist of a Public Affairs Officer, Information Officer, and Cultural Affairs Officer to handle the wide range of public affairs responsibilities, in particular Muslim outreach. (Rightsized)

MANAGEMENT (MG)

Management Office

ICASS Mgt Staff (1 USDH – 1 FSN)

USAID Mgt Staff (2 US – 3 FSN)

The USAID Executive Office is presently responsible for the proper execution of its development and reconstruction projects, in addition to providing general administrative support. The Deputy Executive Officer position will be abolished upon co-location in the NEC, an adjustment that reflects the reduced USAID presence at post. With co-location and consolidation of services, The AID Executive Officer will also take responsibility for overseeing the Human Resources Office, permitting the elimination of one USDH position there.

The DOS Management Officer is responsible for the administrative support of all agencies at post, as provided through ICASS. One secretarial support position is essential to the efficient running of this office.

Assessment: USAID is reducing the Executive Office staff by one American position, reflecting the smaller USAID presence after FY-09. (Downsize: 1 USPSC)

Financial Management

ICASS FMO Staff (1 USDH – 5 FSN)

USAID Controller's Office Staff (1 USDH - 15 FSN)

ICASS FMO office provides a variety of financial services to all agencies at post. All non-State budgeting is handled by the other agencies, either here, in regional centers, or domestically. Public Diplomacy does its own budgeting in-house, although with major assistance from ICASS FMO. With the exception of the Treasury USPSCs, ICASS handles vouchering for all agencies. USAID sends a minor number of its vouchers through FMO, the rest being processed by its own Finance staff; with the move to the NEC, these processes can be consolidated. All agencies use the ICASS cashier, with the exception of USAID, which has its own cashier. The USAID cashier position will be abolished when the NEC is occupied.

Assessment: The duplication of cashier and voucher services will cease upon the move to the NEC when the USAID cashier position and 3 voucher clerks are abolished. USAID will also abolish one American and three FSN positions at that time. Decreased DOS staffing will necessitate the abolishment of one ICASS FSN position. (Ratio analysis indicates that the combined B&F section should be 11 positions.) (Downsize: 1 USDH – 5 FSN desks)

Human Resources

ICASS HR Staff (1 USDH – 5 FSN)

USAID HR Staff (2 FSN)

The ICASS HR office provides FSN personnel services for State, ODC, FAS, FCS, DOJ, FBI, MSG, PD, and DIA, plus reduced services for USAID. They offer US personnel services for State, with reduced services for USAID. All other agencies are serviced through their regional or domestic offices. (See service matrix for details)

USAID HR presently supports the USAID USPSCs and USDHs, including contract negotiation,

allowances, renewals, and medical clearances, as applicable. They also provide CAJE classification, personnel actions and records for USAID FSNs. They also review funding and personnel proposals for the program offices. They also run the USAID training program, including in-house and external training, in compliance with USAID directives.

Assessment: All HR functions are duplicative, and can be consolidated no later than the move to the NEC. At that point, USAID will sign up for full ICASS HR services, and the combined staff will be reduced by at least four FSN desk positions. The USDH HR position will also be abolished, at the AID Executive Officer will provide supervision of the HR function. At the same time, however, we want to take advantage of the Regional Services Center in Frankfurt by regionalizing a significant portion of our HR portfolio, to include: position classification (CAJE), maintenance of the staffing pattern, coordination of LES evaluations, and preparation of LES personnel actions. We will continue managing the American program, awards, recruitment, and training. (Ratio analysis indicates that the combined HR section should be no more than 6 positions. (Downsize: 1 USDH, 4 FSN desks)

Computer Services

State and ICASS IRM (3 USDH – 5 FSN)

USAID Computer Management (3 FSN)

USAID and State are working actively toward consolidation of their overseas systems platforms. Most of the software and all of the hardware in the AID and ICASS computer systems is off-the-shelf and can be maintained by ICASS. At least one FSN desk position can be eliminated as a result. (Note: The USDH personnel are responsible for additional services beyond computers, such as classified communications, pouch, mail, reception, cell phones, IVG, and information security).

Assessment: Co-locating all sections and agencies in the NEC will create a number of economies of scale in the Computer Services section. All DOS systems can be supported from a single unclassified server room. No more support will need to be given to remote offices. The new state-of-the-art IM infrastructure will require less repair and modification. (Ratio analysis not possible due to mixed responsibilities of US staff.) (Downsize: 1 FSN desk)

Telephone/Reception

ICASS (5 FSN)

USAID (4 FSN)

Co-location in the NEC will preclude the need for two parallel telephone operator/receptionist teams. USAID is reducing its staff by three telephone operator positions and one receptionist position upon co-location in the NEC. Co-location in the NEC will reduce the need for telephone technicians to support outlying offices. The telephone infrastructure in the NEC should need little maintenance and repair for some years.

Assessment: No duplication. USAID will not have any support staff in this section after the move to the NEC. (Downsize: 5 FSN desks)

Supply

ICASS (5 FSN)

USAID (3 FSN)

When all sections and agencies are co-located in the NEC, the need for a large supply staff will diminish. The on-compound location warehouse will minimize the lead time required to supply stock items. Within the next year, USAID and ICASS will complete a review of supply services to determine how to combine them under one service provider, either USAID or ICASS. At least two positions will be abolished upon consolidation/moving to the NEC.

Assessment: Duplication exists. By the end of the year, the post ICASS Council will decide between USAID- or ICASS-provided supply services. (Ratio analysis indicates an optimum staff of 6 supply personnel.) (Downsize: 2 FSN desks)

Housing

ICASS (1 USDH - 1 EMF – 3 FSN)

USAID (1 FSN)

Upon direction from Washington, AID and State have combined their housing pools. As a result all housing services are provided by ICASS, and one housing position will be eliminated.

Assessment: Duplication exists. One position will be eliminated. (Ratio analysis indicates that this section should consist of 3 employees.) (Downsize: 1 FSN/EFM desk)

Procurement

ICASS (1 USDH - 6 FSN)

USAID (6 FSN)

USAID does not subscribe to ICASS Procurement services. It has one FSN to procure supplies and services and a large, experienced contracting section, which performs far more complex procurement actions than its ICASS counterparts.

Assessment: There is duplication in the procurement section. AID will present a proposal to the ICASS Council to become an alternate service provider, resulting in consolidation of the two sections and a reduction of two FSNs and one ICASS General Services Officer. (Downsize: 1 USDH - 2 FSN desks)

Travel

ICASS (1 EFM – 3 FSN)

USAID (1 FSN)

Until now no big-name travel agencies, such as American Express or Carlson Wagon-Lit, have had local representation. However, Wagon-Lit has just announced plans to open an office. By the time the NEC is completed, it will offer full travel services. ICASS will retain one travel FSN to monitor the contract and assist with US Government travel regulations. At the same time, the VIP Coordinator position has become less essential as X slides out of the spotlight of world interest and fewer high-level visitors fly in and out of post.

Assessment: Both duplication and an opportunity for outsourcing exist. After all agencies move into the NEC, American Express will be the principal travel service provider. (Downsize: 1 EFM and 3 FSN positions)

Motor Pool

ICASS (1 USDH - 4 FSN desk – 21 FSN drivers)

USAID (1 FSN desk – 1 FSN driver)

DOJ

DIA

Co-location will reduce the need for some of the in-town driving, and enable consolidation of multiple motor pools into ICASS. The on-compound location of the MSGQ will reduce the need for Marine duty drivers. With consolidation, there is no need for 5 supervisory/dispatch personnel. These positions can be reduced by 2. Driver positions will not be filled when they come open until the total has been reduced by three. In addition, the USDH position will be abolished upon the departure of the incumbent, and the responsibilities assigned to the Customs and Shipping GSO.

Assessment: Duplication exists. (Downsize: 2 FSN desks – 3 drivers)

Shipping and Customs

ICASS (1 USDH - 3 FSN)

USAID (0 FSN)

After completing a cost comparison, USAID decided that ICASS provided more cost-efficient services in Shipping and Customs. It is now receiving this service from ICASS.

Assessment: No duplication exists. (Rightsized)

Facilities Maintenance

OBO/ICASS (1 USDH – 4 FSN desks – 31 non-desks)

USAID (1 FSN desk – 16 non-desks)

The move to the New Embassy Compound will have a profound effect on the Facilities Maintenance section. The state-of-the-art facility will require an education, computer-savvy staff of FSNs. The mechanics, electricians, and engineers will all be closely scrutinized to determine which have the needed talents. An initial study suggests that one technical position could be eliminated, plus an additional two non-skilled labor positions. Likewise, an additional HVAC technician may have to be added to the staff. USAID will reduce its facilities staff by 12 positions prior to the move to the NEC.

Outsourcing considerations: Gardeners, laborers, and char force are traditionally areas most appropriate for outsourcing. AID's Economic Growth Program has targeted the development of small and medium-sized enterprises, and two of these – in gardening and janitorial services – are being piloted.

Assessment: With USAID abolishing all but five of its maintenance positions, there is little duplication of functions. The one area of overlap is in residential maintenance. Now that the housing pool will be merged, a joint maintenance staff makes sense. (Downsize: 1 FSN desk – 14 FSN non-desk)

Warehouse

ICASS (1 USDH - 8 FSN non-desk) 1100 square meters storage space

USAID (7 FSN non-desk) 1100 square meters storage space

USAID and ICASS will merge their operations in the NEC on-compound warehouse. This will lead to a further reduction in the number of FSN positions required.

Assessment: Duplication exists. After the move, there will be no need for two separate warehouses. When operations are combined in a single facility, with a single service-provider, three FSN positions will be eliminated. (Downsize: 3 FSN non-desk)

II. Competitive Sourcing, Regionalization, Substitution of LES for USDH Positions

Competitive Sourcing

The following activities were determined to be inherently commercial, feasible to outsource, and are currently being competed:

Motor Pool
Warehousing

If, as a result of the competition, the decision is made to outsource the service(s) (contractor cost is cheaper than in-house, and quality is acceptable), we will notify M/R at once. Most of the positions involved, however, are non-desk.

Regionalization

A number of policy areas are already covered on a regional basis, and are no longer part of the mission's workload.

For State, the labor portfolio, as well as the environment, science and technology portfolio, are both provided region-wide from Embassy Y.

For Agriculture, American oversight of the single FSN in X is provided from the FAS office at Embassy Y.

For Commerce, all commercial services are provided from the FCS office at Embassy Y. One FSN transferred from FCS to Econ serves as a point of contact.

In the administrative area, we are actively shifting responsibility for selected human resources activities to the Regional Support Center in Frankfurt: position classification, maintenance of the staffing pattern, coordination of LES evaluations, and preparation of LES personnel actions. This will permit the elimination of four FSN desk positions.

Substitution of LES for USDH Positions

As political and economic conditions stabilize and more well-trained Xians return here to live, we expect to be able to substitute LES employees for some jobs now filled by Americans. The Agriculture Section has already demonstrated successfully how a single, well-trained, professional-level FSN, receiving direction from American staff at a regional platform, can be very effective at promoting American agricultural exports. Special funding for one Public Affairs American position is being withdrawn, but we are continuing the function by replacing that American officer with a well-trained FSN. We will continue to explore other areas to replace USDH positions with qualified FSNs.

III. Mission Staffing Levels

AGENCY	Current Staffing				Projected Staffing				Change			
	US Desk	LES Desk	Non Desk	Tot.	US Desk	LES Desk	Non Desk	Tot.	US Desk	LES Desk	Non Desk	Total
STATE	61	56	204	321	58	59	204	320	-3	+3	0	0
Executive	5	4	0	9	5	4	0	9	0	0	0	0
Political/Economic	14	9	0	23	11	10	0	21	-3	+1	0	-2
Global Affairs	19	0	0	19	19	0	0	19	0	0	0	0
Consular	3	5	0	8	4	6	0	10	+1	+1	0	+2
Public Affairs Office	4	11	0	15	3	12	0	14	-1	+1	0	0
Regional Security	6	18	199	223	6	18	199	223	0	0	0	0
Marine Security Guard	1	0	5	6	1	0	5	6	0	0	0	0
IPC/ITC	7	0	0	7	7	0	0	7	0	0	0	0
Consulate A	2	9	0	9	2	9	0	9	0	0	0	0
JOINT MANAGEMENT SERVICES	17	98	95	210	12	72	76	162	-5	-26	-19	-50
Management/CLO/MED	6	6	0	12	5	6	0	11	-1	0	0	-1
General Services	5	39	47	91	3	29	40	72	-2	-10	-7	-19
Facilities	1	7	48	56	1	6	36	43	0	-1	-12	-13
Budget and Fiscal	2	15	0	17	1	10	0	11	-1	-5	0	-6
Human Resources	1	7	0	8	0	3	0	5	-1	-4	0	-5
Information Management	2	24	0	26	2	18	0	20	0	-6	0	-6
USAID	15	29	0	44	9	22	0	31	-6	-7	0	-13
AGRICULTURE	0	1	0	1	0	1	0	1	0	0	0	0
JUSTICE	4	2	2	8	5	2	3	10	+1	0	+1	+2
FBI	3	0	0	3	3	0	0	3	0	0	0	0
OPDAT	1	2	0	3	2	2	0	4	+1	0	0	+1
ICITAP	0	0	2	2	0	0	3	3	0	0	+1	+1
DEFENSE	5	7	0	12	5	7	0	12	0	0	0	0
DAO	5	1	0	6	5	1	0	6	0	0	0	0
ODC	0	6	0	6	0	6	0	6	0	0	0	0
TREASURY	0	0	2	2	0	0	2	2	0	0	0	0
COMMERCE	0	1	0	1	0	0	0	1	0	-1	0	-1
TOTAL	102	194	303	599	89	163	285	531	-13	-31	-18	-62

For the purposes of this rightsizing exercise, all administrative support positions have been combined on one chart. This is to facilitate the discussion of duplicated functions, most of which will be consolidated. Included in this chart are ICASS, USAID, and PAS positions.

Summary of Offices and Personnel Not Collocating into New Embassy Compound

Personnel at the constituent post, in addition to the following agencies and organizations, will not be co-locating: Treasury and ICITAP, both of which work out of host government ministries. In addition, the Foreign Commercial Service will be exiting from X and the sole FSN will be transferred into the ECON section.

Five-Year Rightsizing Schedule

Fiscal Year	Mission	Planned Capital Projects
FY05		
1.	Bosnia and Herzegovina	Sarajevo NEC FY06
2.	Burkina Faso	Ouagadougou NEC FY07
3.	Congo/D	Kinshasa NEC FY07
4.	Congo/R	Brazzaville NEC FY06
5.	Djibouti	Djibouti NEC FY06
6.	Ethiopia	Addis Ababa NEC FY07
7.	Fiji	Suva NEC FY05
8.	Gabon	Libreville NEC FY06
9.	Georgia	Tbilisi Annex FY06
10.	Indonesia	Surabaya NEC FY06
11.	Latvia	Riga NEC FY07
12.	Lebanon	Beirut NEC FY06
13.	Macedonia	Skopje Annex, Whse and MSGQ FY06
14.	Madagascar	Antanarivo NEC FY07
15.	Malta	Valletta NEC FY08
16.	Mexico	Mexico City NEC FY06 Tijuana NEC FY10
17.	Micronesia	Interim Office Building FY05
18.	Nigeria	Abuja Anex FY06
19.	Norway	Oslo NEC FY07
20.	Palau	Interim Office Building FY05
21.	Philippines	Manila NEC FY07
22.	South Africa	Johannesburg NEC FY06
23.	Sudan	Khartoum Annex and MSGQ FY06 Juba NEC FY??
24.	Yugoslavia	Belgrade NEC FY07
25.	Zambia	Lusaka NEC FY07
FY06		
1.	Algeria	
2.	Azerbaijan	Baku NEC FY08
3.	Bermuda	
4.	Brazil	
5.	Brunei	Bandar Seri Begawan NEC FY08
6.	Burundi	Bujumbura NEC FY09
7.	Chad	N'djamena NEC FY09
8.	Chile	
9.	Colombia	
10.	Costa Rica	
11.	Denmark	
12.	Dominican Republic	Santo Domingo NEC and Annex FY09
13.	Eritrea	Asmara NEC FY09
14.	Finland	
15.	Germany	
16.	Holy See	
17.	Iceland	
18.	Indonesia	Jakarta NEC FY09
19.	Ireland	

Fiscal Year	Mission	Planned Capital Projects
FY06 (cont'd)		
20.	Italy	Milan NEC FY09
21.	Jordan	
22.	Korea	Seoul NEC FY09
23.	Liberia	Monrovia NEC FY08
24.	Libya	Tripoli NEC FY08
25.	Luxembourg	
26.	Malaysia	
27.	Morocco	
28.	Mozambique	Maputo NEC and Annex FY08
29.	New Zealand	
30.	Pakistan	Karachi NEC FY08 Peshawar NEC FY08
31.	Paraguay	Asuncion NEC FY08
32.	Poland	Krakow NEC FY08
33.	Romania	Bucharest NEC FY09
34.	Russia	St. Petersburg NEC FY09
35.	Saudi Arabia	Jeddah NEC FY-08 Riyadh NEC FY-?? Dhahran NEC FY-??
36.	Singapore	
37.	South Africa	Pretoria Annex FY08
38.	Sri Lanka	Colombo NEC FY09
39.	Switzerland	
40.	Taiwan	Taipei NEC FY07
41.	Tunisia	Tunis Language School FY-09
42.	Turkey	Ankara NEC FY09
43.	Ukraine	Kiev NEC and Annex FY09
44.	United Kingdom	
45.	U.S. Mission USFODAG, Rome	
46.	U.S. Perm Mission to the UN Office and Other Intl. Org in Geneva	
47.	Zimbabwe	Harare NEC and Annex FY08
FY07		
1.	Bahamas	
2.	Bahrain	
3.	Bangladesh	
4.	Barbados	
5.	Belarus	
6.	Belize	
7.	Benin	Cotonou NEC and Annex FY10
8.	Botswana	
9.	Burma	
10.	Canada	Toronto NEC FY10
11.	Cape Verde	
12.	China	Guangzhou NEC FY08 Shanghai NEC FY??
13.	East Timor	Dili NEC FY10
14.	Equatorial Guinea	
15.	Estonia	
16.	Grenada	

Fiscal Year	Mission	Planned Capital Projects
FY07 (cont'd)		
18.	Guinea	
19.	Guinea Bissau	
20.	Guyana	
21.	Hong Kong	
22.	India	Calcutta NEC FY11 Chennai NEC FY10 Hyderabad NEC FY??
23.	Israel	Tel Aviv NEC and Annex FY10
24.	Jerusalem	Jerusalem NEC FY10
25.	Kenya	
26.	U.S. Perm Mission to UNEP and UN Center for Human Settlements, Nairobi	
27.	Kosovo	Pristina NEC FY10
28.	Kyrgyzstan	
29.	Lithuania	
30.	Malawi	
31.	Mali	
32.	Mauritania	Nouakchott NEC FY10
33.	Mauritius	
34.	Mongolia	
35.	Nepal	
36.	Sierra Leone	
37.	Slovak Republic	Bratislava NEC FY10
38.	Slovenia	
39.	Surinam	Paramaribo NEC FY10
40.	Syria	Damascus NEC FY10
41.	Tajikistan	
42.	Thailand	Chiang Mai NEC FY10
43.	Turkmenistan	
44.	Uruguay	
45.	U.S. Mission to ICAO, Montreal	
46.	Vietnam	Hanoi NEC FY??
FY08		
1.	Angola	
2.	Argentina	Buenos Aires NEC FY11
3.	Armenia	
4.	Australia	
5.	Belgium	
6.	Bolivia	
7.	Brazil	Rio de Janeiro LFO FY11
8.	Cambodia	
9.	Cameroon	
10.	Central African Republic	Bangui NEC FY11
11.	Cote d'Ivoire	
12.	Croatia	
13.	Cuba	
14.	Czech Republic	
15.	Ecuador	Guyaquil LFO FY11
16.	France	
17.	Gambia	

Fiscal Year	Mission	Planned Capital Projects
FY08 (cont'd)		
18.	Ghana	
19.	Greece	Thessaloniki NEC FY??
20.	Guatemala	
21.	Laos	Vientiane NEC FY11
22.	Lesotho	
23.	Moldova	Chisinau NEC FY11
24.	Namibia	Windhoek NEC FY11
25.	Netherlands	The Hague NEC FY11
26.	Netherlands Antilles	
27.	Niger	
28.	Oman	
29.	Panama	
30.	Senegal	Dakar NEC & Annex FY11
31.	Seychelles	
32.	Spain	Madrid NEC FY11
33.	Swaziland	Mbabane NEC FY11
34.	Tanzania	
35.	Togo	
36.	Trinidad and Tobago	
37.	United Arab Emirates	Dubai NEC FY11
38.	U.S. Mission to European Union	
39.	U.S. Mission to NATO	
40.	U.S. Mission to OECD, Paris	
41.	U.S. Mission to UNESCO, Paris	
FY09		
1.	Afghanistan	
2.	Albania	
3.	Austria	
4.	Bulgaria	
5.	Cyprus	
6.	Egypt	
7.	El Salvador	
8.	Haiti	
9.	Honduras	
10.	Hungary	
11.	Iraq	
12.	Jamaica	
13.	Japan	
14.	Kazakhstan	
15.	Kuwait	
16.	Marshall Islands	
17.	Micronesia	
18.	Nicaragua	
19.	Niger	
20.	Papua New Guinea	
21.	Peru	
22.	Portugal	
23.	Qatar	
24.	Rwanda	

Fiscal Year	Mission	Planned Capital Projects
FY09 (cont'd)		
25.	Samoa	
26.	Uganda	
27.	U.S. Mission to UNVIE	
28.	U.S. Mission to OSCE	
29.	U.S. Mission to IAEA	
30.	Uzbekistan	
31.	Venezuela	
32.	Yemen	